

FUNDS CONTROL PROCEDURES

INSTRUCTIONS & FORMS

1. GENERAL INFORMATION

Tetra Tech, Inc. is committed to paying all draws in a timely manner, provided the work is complete and the paperwork is properly prepared and accompanied by appropriate documentation. Draws are generally paid within seven (7) to ten (10) business days of receipt of the entire draw package.

Draw packages may be submitted as follows:

1. **Scan and Email (preferable).** If this option is chosen please scan it in the same format as the “Sample Draw Package.pdf” file that is emailed to you. The only time we will require an ORIGINAL draw package will be with the final retention draw request. You may scan and email it and then mail it so we will have the originals.

OR

2. **Overnight delivery (i.e., Federal Express, UPS, etc.)** Please do not require a signature upon delivery. This can delay the delivery of the package therefore delaying the draw process.

Tetra Tech is contracted to provide a predetermined number of inspections and draws for each project. It is important for the Contractor and Owner to be aware of the number of draws/inspections in order to avoid additional charges. In the event additional draws/inspections are required, a set price is established in the contract. The invoice for the extra charges will be billed at the time the additional draw/inspection will be performed.

The goal of Tetra Tech is to get funds to the Contractor as quickly as possible. This can only be accomplished after receipt of all required documentation. Tetra Tech procedures are designed to protect the Contractor as well as the Owner and Lender. The Tetra Tech Disbursement Agent will work with the Contractor or Contractor’s personnel to help expedite the process. **This process cannot be circumvented unless directed in writing by the Lender. In the case of a Completion Commitment on a project, this process must be followed.**

Tetra Tech issues the checks for the Subcontractors/Suppliers based on the Payment Voucher and supporting documentation. All checks are sent directly to the General Contractor for distribution to the subs/suppliers.

A Subcontractor list needs to be provided with the first draw. Tetra Tech is required to provide Form 1099 in accordance with Section 6041 of the Internal Revenue Code for any and all sums paid equal or in excess of \$600.00 for any particular project.

2. APPLICATION FOR PAYMENT (DRAW SUBMITTAL)

The Contractor's draw package *MUST* include but will not be limited to the following:

- 1. AIA G702/703 or Equivalent (sample form attached)**
- 2. Payment Voucher, Conditional lien waiver, Invoice and W-9 from each payee (Subcontractors/Suppliers and General Contractor).**
- 3. Unconditional Waiver and Release from Previous Draw for Checks Received**

ALL FORMS MUST BE FILLED OUT IN THEIR ENTIRETY (i.e., payment vouchers, waivers, etc.)

Incomplete Draw Packages or incomplete forms WILL delay the draw process and funding.

Tetra Tech will do single party checks to the General Contractor, Subcontractors and Suppliers. Joint checks can be made out to subcontractors and their suppliers.

AIA documents – front sheet (G702) and the Continuation Sheet (G703) must balance to one another. The current payment due (line #8 on AIA G702) **MUST** equal the sum of all Payment Vouchers.

As a reminder, unless otherwise directed by the lender, 10% retention will be held on all draw requests in accordance with the Funds Control and Inspection Services Agreement. If the contractor chooses not to withhold retention on an invoice paid to a Subcontractor that is acceptable, however, Tetra Tech will withhold retention from the Contractor's payment.

In preparing the schedule of values, the General Contractor includes the amounts anticipated for Supervision, Overhead and Profit, Management Fee, etc. These sums will be paid in accordance with job progress. In other words, when the job is 25% complete, the Contractor will be entitled to 25% of his budget in these categories.

Please be aware that Tetra Tech only pays for labor/materials provided to the site. Tetra Tech discourages deposits. Generally, the Lender will only approve deposits of no more than 25%. We understand that special circumstances sometimes create exceptions and we will work with the Lender to resolve any issues that arise.

Reimbursement of Paid Expenses – In some cases the general contractor may make payments to various vendors prior to a draw submittal. Tetra Tech will reimburse the general contractor. The following items must be included in the draw package and attached to the payment voucher for the general contractor: Unconditional lien waivers **AND** Cancelled Checks and Invoices from the vendors who were paid.

Payment Voucher

Each Payee (includes General Contractor and Subs/Suppliers) must have a payment voucher with backup documentation if requesting a check.

The Payment Voucher must contain the Payees' Name, Address, and Telephone Number along with the date service is through. The Payment Voucher must also list the line item numbers and amounts that are being billed on the G703, or equivalent spreadsheet for the current draw period.

If joint checks are being requested, between Subcontractor and Supplier BOTH NAMES must appear in the 'pay to the order' area of the payment voucher.

In the case of Stored Materials, each invoice must be clearly marked that it is for stored materials, the materials must be on site, the inspector must be able to verify the stored materials. If they are stored off-site, they will not be paid for. Tetra Tech only pays for labor/materials provided to the site.

Conditional Waiver and Release Form

A signed conditional waiver and release form must be submitted by the General Contractor and each Subcontractor and/or Supplier with each draw.

W-9 Form

A W-9 form must be filled out by each vendor who is to receive a payment.

Unconditional Waiver and Release Form

Tetra Tech will provide an Unconditional Waiver and Release for each check cut and returned to the General Contractor for distribution to the Subcontractors/Suppliers. It is the Contractor's responsibility to have each Unconditional Waiver signed and returned to Tetra Tech. **A current draw will not be funded without the previous draws unconditional lien waivers.**

3. REQUEST FOR REALLOCATION OF FUNDS

A Reallocation of Funds request form must be submitted whenever there is a cost change of any kind to the schedule of values. The Reallocation form must show (dollar for dollar) what line you are moving funds to and from. Indicate why this reallocation is necessary.

If the reallocation affects a subcontractor line item, we will require a copy of the revised subcontract.

Contractor and Borrower must sign the form. Prior approval is recommended to help prevent delays in the draw process.

4. CHANGE ORDER PROCEDURES

If there is a change (increase/decrease) to the contract, a Change Order must be submitted. **The Change Order must be signed by the Contractor and Borrower.** It must list in detail the reason(s) for the requested change(s) indicating specific dollar values that relate to each item. All Change Orders or deviations from the plans and specifications must be approved by the lender prior to any work being done and the funds deposited. The Lender has the option of requesting an Architectural review of the requested change. **Change Orders must be assigned a new line item number within the Schedule of Values,** they cannot be backed into prior line items. Payment Vouchers requesting funds for Change Orders will not be paid until all required signatures and line items have been obtained.

NO CHANGE ORDER WILL BE SUBMITTED TO THE LENDER FOR EVALUATION AND/OR APPROVAL WITHOUT DETAILED DOCUMENTATION AS TO WHY THE CHANGE ORDER IS REQUIRED, EXPLANATION OF COST, AND APPROPRIATE SIGNATURES.

5. MISCELLANEOUS ITEMS

1. **Date Down Endorsement (122)**

If a date down endorsement is required by the Lender, it will be ordered with each draw request by the Disbursement Agent.

2. **Building Permits**

The contractor must submit a copy of the Building Permit(s) with the first draw request.

3. **Signature Authorization Form**

This form needs to be signed by authorized signers for both the Contractor and the Borrower. These are the individuals that will be signing the Application for Payment, Draw Reports, etc. This form is prepared once and submitted with or before the first draw.

4. **Slab Survey/Foundation Endorsement – Requested by Lender, if needed**

If a slab survey is *required*, when the slab or foundation is 100% complete, the Contractor should contact a certified survey company (the choice is the contractors' unless the lender has indicated otherwise) and request a foundation (slab) survey. The report and invoice is then submitted to the Disbursement Agent and paid by the Lender. **The report and the invoice must reference the project name and owner.** Once billing for the foundation/slab has reached 100%, additional draws will not be processed without receipt of the Survey.

5. **Foundation Endorsement**

Contractor is to contact Tetra Tech and inform us when the slab/foundation has been poured. Tetra Tech will in turn request the Title Company to inspect the site and issue the endorsement. If the title company sends an inspector and the slab is not poured, they will charge for another inspection, so please be sure it is poured before calling.

6. FINAL RETENTION DRAW

The final retention draw must include original documentation:

- 1. Final Application for Payment**
- 2. Payment Voucher, Conditional lien waiver upon FINAL payment, Invoice from each payee who is owed their final retainage.**
- 3. Copy of the Final Certificate of Occupancy. In the case where a Certificate of Occupancy is not issued, Tetra Tech requires the signed final inspection card.**
- 4. Contractor's Affidavit of Completion – signed and notarized by General Contractor and Borrower**
- 5. Notice of Completion**

When the project is completed, Tetra Tech must be furnished with a Notice of Completion. The Notice of Completion must be recorded with the County or City (if required by lender) and indicate the date of completion, signed by the property owner in two places, and notarized. If the lender does not require a Recorded Notice of Completion, Tetra Tech still requests the Owner to fill out the form and submit it “**unrecorded**”, with the final draw request.

Most states require that the Notice of Completion be recorded within 10 days from the date of completion.

7. FORMS

The following forms are included in this package for your use. Some of these forms can be emailed to you upon your request.

Signature Authorization Form
Payment Voucher (Excel)
Conditional Waiver and Release Form (Progress and Final)
Unconditional Waiver and Release Form (Progress and Final)
Request for Reallocation of Funds (Excel)
Change Order Form (Word)
Notice of Completion (Word)
Contractors' Affidavit of Completion and Payment of Bills and Indemnity (Word)
Application for Payment (Sample G702/G703)
W-9 Form

SIGNATURE AUTHORIZATION

PROJECT NAME _____
PROJECT NUMBER _____
DATE _____

The below signature(s) will be authorized to sign Payment Vouchers, Draw Reports and Owner Authorization for Disbursement forms for the disbursement of funds from the above-referenced project.

BORROWER(S): Owners of the project and authorized signatures on the bank loan ONLY.

Fax # _____
Email address _____

Printed Name, Title

Signature

Printed Name, Title

Signature

Printed Name, Title

Signature

GENERAL CONTRACTOR(S): Authorized representatives ONLY. General Contractors are not authorized signers for the borrower and cannot sign the Owner Authorization forms.

Fax # _____
Email address _____

Printed Name, Title

Signature

Printed Name, Title

Signature

Printed Name, Title

Signature

PAYMENT VOUCHER

Project Name:	Date Service Thru:
Project Address:	Voucher Date:

PAYMENT VOUCHER (Non-Negotiable)

Pay to the Order of:

(Name & Address)

The sum of _____ in the payment for labor and/or materials as follows: _____

Telephone Number (REQUIRED)_____

Charge Cost Breakdown Item(s)

[illegible]

******THIS PAYMENT VOUCHER MUST BE COMPLETED IN ITS ENTIRETY. ATTACHED TO THIS VOUCHER THE FOLLOWING DOCUMENTATION IS REQUIRED:**

- COPY OF CORRESPONDING INVOICE
- COPY OF CONDITIONAL LIEN RELEASE
- W-9 (If this is the first payment to this vendor)

MISSING INFORMATION OR DOCUMENTATION WILL DELAY FUNDING

General Contractor or Owner/Builder _____ Date _____

Date _____

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification (required): <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	<input type="checkbox"/> Exempt payee
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number										
			-				-			

Employer identification number										
			-							

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

Project _____

Job No. _____

On receipt by the signer of this document of a check from _____ (maker of check) in the sum of \$ _____ payable to _____ (payee or payees of check) and when the check has been properly endorsed and has been paid by the bank on which it is drawn, this document becomes effective to release any mechanic's lien right, any right arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for persons in the signer's position that the signer has on the property of _____ (owner) located at _____ (location) to the following extent: _____ (job description).

This release covers a progress payment for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted) as indicated in the attached statement(s) or progress payment request(s), except for unpaid retention, pending modifications and changes, or other items furnished.

Before any recipient of this document relies on this document, the recipient should verify evidence of payment to the signer.

The signer warrants that the signer has already paid or will use the funds received from this progress payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project in regard to the attached statement(s) or progress payment request(s).

LIEN CLAIMANT:

SIGNATURE: _____

PRINTED NAME: _____

TITLE: _____

Dated this _____ day of _____, 20____

NOTARY:

At _____

Subscribed and Sworn before me this day _____ of _____, 20____

Notary Public, State of _____

CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

Project _____

Job No. _____

On receipt by the signer of this document of a check from _____ (maker of check) in the sum of \$ _____ payable to _____ (payee or payees of check) and when the check has been properly endorsed and has been paid by the bank on which it is drawn, this document becomes effective to release any mechanic's lien right, any right arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for persons in the signer's position that the signer has on the property of _____ (owner) located at _____ (location) to the following extent: _____ (job description).

This release covers the final payment to the signer for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted).

Before any recipient of this document relies on this document, the recipient should verify evidence of payment to the signer.

The signer warrants that the signer has already paid or will use the funds received from this final payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project up to the date of this waiver and release.

LIEN CLAIMANT:

SIGNATURE: _____

PRINTED NAME: _____

TITLE: _____

Dated this _____ day of _____, 20____

NOTARY:

At _____

Subscribed and Sworn before me this day _____ of _____, 20____

Notary Public, State of _____

NOTICE:

This document waives rights unconditionally and states that you have been paid for giving up those rights. It is prohibited for a person to require you to sign this document if you have not been paid the payment amount set forth below. If you have not been paid, use a conditional release form.

UNCONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

Project _____

Job No. _____

The signer of this document has been paid and has received a progress payment in the sum of \$ _____ for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted) on the property of _____ (owner) located at _____ (location) to the following extent: _____ (job description). The signer therefore waives and releases any mechanic's lien right, any right arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for persons in the signer's position that the signer has on the above referenced project to the following extent:

This release covers a progress payment for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted) as indicated in the attached statement(s) or progress payment request(s), except for unpaid retention, pending modifications and changes, or other items furnished.

The signer warrants that the signer has already paid or will use the funds received from this progress payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project in regard to the attached statement(s) or progress payment request(s).

LIEN CLAIMANT:

SIGNATURE: _____

PRINTED NAME: _____

TITLE: _____

Dated this _____ day of _____ 20 _____

NOTARY:

At _____

Subscribed and Sworn before me day this _____ day of _____, 20_____.

Notary Public, State of _____

NOTICE:

This document waives rights unconditionally and states that you have been paid for giving up those rights. It is prohibited for a person to require you to sign this document if you have not been paid the payment amount set forth below. If you have not been paid, use a conditional release form.

UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

Project _____

Job No. _____

The signer of this document has been paid in full for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted) on the property of _____ (owner) located at _____ (location) to the following extent: _____ (job description). The signer therefore waives and releases any mechanic's lien right, any right arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for persons in the signer's position.

The signer warrants that the signer has already paid or will use the funds received from this final payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project up to the date of this waiver and release.

LIEN CLAIMANT:

SIGNATURE: _____

PRINTED NAME: _____

TITLE: _____

Dated this _____ day of _____, 20____

NOTARY:

At _____

Subscribed and Sworn before me this day _____ of _____, 20____

Notary Public, State of _____



REQUEST FOR REALLOCATION OF FUNDS

PROJECT NAME: _____
BORROWER: _____
LENDER: _____
PROJECT #: _____ DATE: _____

THE UNDERSIGNED HAVE REQUESTED THE FOLLOWING FUNDS TO BE TRANSFERRED
TO OR REALLOCATED IN THE FOLLOWING MANNER:

From Line #	Amount	To Line #	Amount	Reason Code
TOTAL				

REASON CODES:

1. Contract more/less than original estimate
2. All work completed, excess funds
3. **Approved Contract Change Order signed by Owner & Lender** (Attach Change Order)
4. Other (please explain)

CONTRACTOR : _____ DATE: _____

BORROWER : _____ DATE: _____

CHANGE ORDER

PROJECT NAME:

Change Order Number _____

Date: _____

CONTRACTOR NAME:

The Contract is changed as follows (please describe):

Not valid until signed by Owner, Contractor and Lender

The original contract sum was \$ _____

Net change by previous authorized change orders \$ _____

The contract sum prior to this change order was \$ _____

The contract sum will be (increased) (decreased) by this change order
in the amount of \$ _____

The new contract sum including this change order is \$ _____

The contract time will be (increased) (decreased) (unchanged) by _____ days

The Substantial Completion as of the date of this change order is _____
Date

CONTRACTOR:

OWNER:

BY: _____

BY: _____

DATE: _____

DATE: _____

LENDER:

BY: _____

DATE: _____

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. A work of improvement was completed on _____, 20____, on property situated in the City of _____ County of _____, State of _____

(a) Described as

(b) The street address of which is _____

2. The name of the contractor, if any, for such work of improvement was _____
(If no contractor, write "NONE" in this space)

3. The name, address and nature of title of every person owning an interest in the above-described property as sole owner, tenant in common or joint tenant is:

FULL NAME	FULL ADDRESS	NATURE OF TITLE (Sole owner, joint tenant, tenant in common)

STATE OF _____

COUNTY OF _____

being duly sworn,

deposes and says: That affiant is authorized to make and does make this verification and on behalf of the owner(s) named in the foregoing notice; that affiant has read the foregoing notice and knows the contents thereof and that the same is true of affiant's own knowledge.

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(Signature by at least one of above named owner(s) personally or by his agent)

ORDER NO. _____

WHEN RECORDED MAIL TO: _____

Subscribed and sworn to before me _____, 20____

Signature

Name (Typed or Printed)

(This area for Official Notarial Seal)

(This area for Recorder's Use)

CONTRACTORS' AFFIDAVIT OF COMPLETION AND PAYMENT OF BILLS AND INDEMNITY

Before me, the undersigned authority, on this date personally appeared _____ (the "Affiant"; the official signor of the "Contractor"), who being first duly sworn by me, upon oath deposes and says that:

Affiant is duly authorized to make this affidavit and is fully and personally cognizant of all facts and matters herein stated. Affiant is aware of and makes this affidavit under the laws of the state where the Property described below is located.

Affiant is the (title) _____ of _____ (the "Contractor"), the Contractor on the job hereinafter described.

All funds heretofore advanced by _____ (the "Bank") to _____ (the "Borrower" and/or "Contractor"), for the use with respect to certain construction of improvements in or on _____ (the "Property") have been applied to the payment of obligations due to Borrower and/or Contractor for materials, labor and other cost incurred in connection with such construction, and for no other purpose.

All of the work described on the schedule (the "Schedule") which is attached to the application for payment attached hereto (the "Application") has been completed in a workmanlike manner.

There are no bills for labor and/or materials unpaid incident to the construction of the improvements except those items identified by obligee, work and amount on the Schedule, and/or Contractor has not received any notice or communication that any subcontractor, materialman, laborer or other party other than as shown upon the Schedule, has not been paid currently for all labor and materials performed or furnished in connection with the construction.

The items shown on the Schedule in the aggregate of \$ _____ (final draw amount) represent the items presently due by Borrower and/or Contractor for labor, materials and other costs incurred in connection with the construction.

All sums advanced by Bank under or pursuant to the Application are for the sole purpose of paying obligations owing Borrower and/or Contractor as shown thereon, and for no other purpose.

Upon disbursement by Borrower and/or Contractor of the funds advanced by Bank under or pursuant to the Application, all obligations for labor, materials and other costs heretofore incurred by Borrower and/or Contractor in connection with such construction and which are due and payable will be immediately and fully paid and satisfied.

Affiant understands that this affidavit is made for the purpose of inducing Bank to make and advance to Borrower and/or Contractor incident to construction loan secured by the Property described above and that, in making any advance, Bank will rely upon the accuracy of the matters stated in this affidavit. Affiant and Borrower, jointly and severally will indemnify, defend and hold Bank harmless for, from, and against all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of title, cost of evidence of value, and other costs and expenses which Bank may suffer or incur because of any incorrect, false, or misleading statements contained in this affidavit.

All obligations of the Affiant and the Borrower set forth herein shall continue as long as Bank is subject to any potential, threatened or actual proceeding or legal action by reason of the fact

that Affiant or its subcontractors, materialmen, laborers and/or suppliers assert a right to payment or obtain a lien on the Property.

This affidavit and the agreements set forth herein shall be governed by the laws of the state where the Property is located. No amendment or modification of the terms of this Affidavit and Indemnity shall be effective unless in writing and executed by the parties hereto. This Affidavit and Indemnity shall be binding upon and inure to the benefit of the parties, their successors and assigns. If any term hereof is declared to be unenforceable by a court of competent jurisdiction, that term shall be deleted and the enforceability of this Affidavit and Indemnity shall otherwise be unaffected.

Contractor: _____

Affiant (in his individual capacity and as Contractor for Borrower)

SUBSCRIBED AND SWORN TO BEFORE ME this ____ day of _____, 20__

Notary Public, State of _____

OWNER'S (BORROWER) CONSENT TO ADVANCE

The undersigned, being an owner of the real property above described or other interested party, consents to the Bank's making the loan advance herein, above described and further described on the attached application for payment.

Owner
SUBSCRIBED AND SWORN TO BEFORE ME this ____ day of _____, 20__

Notary Public, State of _____

AFFIDAVIT/10210v1

APPLICATION FOR PAYMENT

TO OWNER:

PROJECT:

APPLICATION NO:

PROJECT NO:

APPLICATION DATE:

FROM CONTRACTOR:

ARCHITECT:

PERIOD TO:

CONTRACT DATE:

CONTRACT FOR:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM

\$

2. Net change by Change Orders

\$

3. CONTRACT SUM TO DATE (Line 1 + 2)

\$

4. TOTAL COMPLETED & STORED TO DATE (Column G on attached sheet)

\$

5. RETAINAGE:

a. % of Completed Work

(Column D + E on attached sheet)

\$

b. % of Stored Material

(Column F on attached sheet)

Total Retainage (Lines 5a + 5b or

Total in Column I of attached sheet)

\$

6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)

\$

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior app)

\$

8. CURRENT PAYMENT DUE (Current gross less current retainage)

\$

9. BALANCE TO FINISH, INCLUDING RETAINAGE

(Line 3 less Line 6)

\$

CONTRACTOR:

By:

Date:

OWNERSHIP (OR AGENT):

By:

Date:

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS		
NET CHANGES by Change Order		

CONTINUATION SHEET								PAGE TWO OF TWO PAGES	
						APPLICATION NO:			
						PROJECT NO:			
						APPLICATION DATE:			
						PERIOD TO:			
A	B	C	D	E	F	G		H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G ÷ C)	BALANCE TO FINISH (C - G)	RETAINAGE
			FROM PREVIOUS APPLICATION	THIS PERIOD					
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	GRAND TOTALS								